

Written testimony of
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Transportation Committee

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CT General Assembly

Reference: Proposed S.B. No. 333 (RAISED) AN ACT EXEMPTING FROM THE GROSS EARNINGS TAX PROPANE GAS USED AS A FUEL FOR OVER-THE-ROAD VEHICLES

Good morning Senator Maynard and Representative Guerrero and other distinguished members of your committee. I am Mike Morrissey, from Glastonbury. I am also the Connecticut State Director to the National Propane Gas Association. Today, I represent our local trade association members who provide propane gas service to our state. I am here to speak in support of **S.B. No. 333 (RAISED) AN ACT EXEMPTING FROM THE GROSS EARNINGS TAX PROPANE GAS USED AS A FUEL FOR OVER-THE-ROAD VEHICLES**

For 13 years beginning in 1995 through 2008, our State offered some of the most comprehensive tax incentives in our nation to stimulate the use of alternate fueled vehicles. However, in 2008, the House of Representatives failed to act on the Senate passed bill, S.B. No.125 and all of these wonderful incentives were lost.

Today, S.B. No. 333 is a step in the right direction to restore at least one component of the lost tax incentives we once enjoyed. Last year, PA 13-247 was passed into law which exempted all school buses from gross earnings tax. The bill before us today, asks that this exemption be expanded to include all vehicles. Currently, gross earnings tax on propane is the equivalent of about 20 cents per gallon. Eliminating this tax will offer a modest savings to fleet operators and improve their break even calculation when using propane autogas to power vehicles. It will also create a level playing field with natural gas which is exempt from this tax.

There are a lot of good things happening in the alternate fuels business. Ford Motor now offers all the trucks they produce with either a propane or natural gas factory option. In fact this year, their most popular truck from their passenger division, the F150 will now be able to be ordered from the factory with a propane and natural gas option. Blue Bird Bus is producing and selling a record amount of propane powered vehicles throughout the nation.

Never before have we seen so many "Stars" aligned to stimulate the use of alternate fuels. Restoring an exemption by eliminating gross earnings tax in CT is a great way for our state to contribute to the use of alternate fuels in our state.

I would be happy to answer any questions at this time